



Department of Justice

February 22, 1993

**SUMMARY OF ANTITRUST ENFORCEMENT ACTIONS
FOR PUBLIC RELEASE
FOR TUESDAY, FEB. 16, 1993 THROUGH FRIDAY, FEB. 19, 1993**

2/16/93 Justice Department Intends to Challenge Proposed
Acquisition by Coflexip S.A. of Wellstream Corporation

The Department of Justice, Antitrust Division, announced its intention to file a civil antitrust suit challenging the proposed acquisition by Coflexip S.A., a French corporation, of the assets of Wellstream Corporation, headquartered in Panama City, Florida, unless they abandoned the transaction. Coflexip and Wellstream are the only two significant manufacturers in the world of unbonded flexible pipe, which is used in offshore oil and gas production. Worldwide sales of unbonded flexible pipe last year were approximately \$200 million. Coflexip accounted for about \$190 million and Wellstream about \$12 million of those sales. The proposed acquisition would substantially lessen competition and tend to create a monopoly in violation of Section 7 of the Clayton Act, and would restrain trade and create a monopoly in violation of Sections 1 and 2 of the Sherman Act. John W. Clark, Acting Assistant Attorney General in charge of the Antitrust Division, said, "This combination would likely increase the cost of unbonded flexible pipe for operators of offshore oil and gas production facilities in the United States and throughout the world." Unbonded pipe is used to transport crude oil, natural gas, and other natural resources from offshore wells to production facilities, or from those facilities to other sites offshore and onshore. Unbonded flexible pipe is preferred by operators of offshore oil and gas production facilities over other types of pipe for dynamic and certain static applications because of its flexibility and strength.

Copies of legal filings are available from the Legal Procedure Unit, Antitrust Division, Room 3233, Telephone No.: 514-2481.